

THIS IS NOT A TAX RETURN. ATTACH THIS SCHEDULE TO YOUR HIGHLAND PARK RESIDENT RETURN – HP-1040(R)

Name and Address as Shown on Page 1 of HP-1040(R) NAME _____ ADDRESS AND CITY _____ Highland Park resident time period: From _____, 20 ____ to _____, 20 ____	Social Security Number: _____	20____ or other taxable year beginning _____, 20 ____, and ending _____, 20 ____
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COMPUTATION OF TAXABLE INCOME

	HIGHLAND PARK INCOME TAX WITHHELD	ALL INCOME WHILE A RESIDENT OF HIGHLAND PARK (COL. I)	HIGHLAND PARK INCOME WHILE A NONRESIDENT (COL. II)
1. Enter GROSS income from employers for wages, salaries, commissions, tips, etc. – indicate (W) for wife. Employer's Name Where employed (City and State)	\$ _____	\$ _____	\$ _____
2. TOTALS. Enter on line 16a, page 1 of HP-1040(R) return the total amount of withholding shown	\$ _____	\$ _____	\$ _____
3. Deductions from resident long form, Schedule M, page 2, Line 5			
4. Total (line 2 less line 3)		\$ _____	\$ _____
5. Other Income (attach explanation):			
a. Dividends			XXXXXXXXXXXXXXXXXX
b. Interest and Royalties			XXXXXXXXXXXXXXXXXX
c. Rents			
d. Gain (or loss) on sale or exchange of property			
e. Net income (or loss) from estates and trusts			XXXXXXXXXXXXXXXXXX
f. Net income (or loss) from partnerships			XXXXXXXXXXXXXXXXXX
g. Net income (or loss) from business or profession			
h. Miscellaneous income or net operating loss carryover			
6. Total income (or loss) in each column		\$ _____	\$ _____
7. Less: Losses transferred from cols. I and II (if neither column I nor column II shows a loss on line 6, enter zero on this line in column I and column II. Otherwise, see instructions.)			
8. Net income (or loss) in each column – line 6 less line 7		\$ _____	\$ _____
9. Less: Exemptions – Fill in Exemption Schedule A on page 1 of form HP-1040(R) and enter number of exemptions here Multiply by \$600 each			
10. Taxable income while a RESIDENT (col. I, line 8, less col. I, line 9). If line 9 exceeds the amount on line 8, col. I			
11. If the amount on line 9 exceeds the amount of income in col. I, line 8, enter here the amount of the unused portion of your exemptions, if any			
12. Taxable income while a NONRESIDENT (col. II, line 8, less col. II, line 11). If line 11 exceeds line 8, col. II, enter zero			\$ _____

COMPUTATION OF TAX

13. City of Highland Park tax while a resident (col. I, line 10 X 2%). If line 10, col. I is zero, enter zero	\$ _____
14. City of Highland Park tax while a nonresident (col. II, line 12 X 1%). If line 12, col. II is zero, enter zero	\$ _____
15. Total City of Highland Park tax (combine lines 13 and 14). Enter here and on page 1, line 14 of Resident Long Return, HP-1040(R)	\$ _____

SEE SEPARATE INSTRUCTIONS

INSTRUCTIONS FOR SCHEDULE L OF HP-1040(R)

General Information

The Highland Park Income Tax Ordinance imposes a tax rate of 2% on income of residents of Highland Park, and 1% on that income of nonresidents of Highland Park which is subject to the Highland Park income tax. In addition, certain types of income may be taxed differently to residents and nonresidents.

Schedule L of HP-1040(R) provides a means whereby an individual can arrive at his total tax liability if, during the taxable year, he earned part of his income as a resident of Highland Park and part of his income as a nonresident.

Who Must Use Schedule L

Schedule L must be filled out and attached to Form HP-1040(R) if, during the taxable year, part of your income was earned as a resident, and part of your income subject to the Highland Park tax was earned while you were a nonresident. Do not use Schedule L unless you had income subject to the Highland Park tax both as a resident and as a nonresident.

Be sure to indicate the time period you were a Highland Park resident by answering Question C on the Resident Individual Return, Form HP-1040(R).

Computation of Taxable Income

Lines 1 and 5 of Schedule L describe the types of income that are subject to tax. Enter in column I ("All income Earned While a Resident of Highland Park."), the income subject to tax that was earned during the year while a resident. Enter in column II ("Highland Park Income While a Nonresident"), the income subject to tax that was earned during the year while a nonresident.

You must attach schedules to support each amount entered on Schedule L, lines 1 and 5. The schedule of each type of income should show: (1) the total amount of resident income and the total amount of nonresident income earned during the period of time you were a resident and nonresident, and (2) your computation of the portion of the total amount of each type of resident and nonresident income, which was subject to the Highland Park tax, and which was used as a basis for entry on lines 1 and 5 of Schedule L.

Instructions for the Individual Resident Form HP-1040(R) and for the Individual Nonresident Form (HP-1040(NR)) should be carefully reviewed before entries are made in columns I and II of Schedule L for each type of income.

The following instructions for the specific types of income listed below should be used in conjunction with the instructions for the residents and nonresident forms:

(1) Income from Employers

All wages and salaries earned while a resident are to be reported, whether or not your work was performed in Highland Park. That portion of your wages and salaries earned in Highland Park as a nonresident is to be reported on the ratio that the actual number of days worked in Highland Park while a nonresident bears to the total days while a nonresident.

(3) Deduction from Resident Long Form, Schedule M, page 2

See instructions under "Deductions and Exclusions" on page 2 of the Resident Long Form for description of the amounts to be entered on this line. Deductions applicable to nonresident income to total nonresident income.

(5a b) Income from Dividends, Interest and Royalties

Enter in the resident column income from dividends, interest and royalties while a resident. Income of this nature is not taxable to a nonresident. Dividend income received from taxable domestic corporations is subject to the same dividend exclusion as provided by the Federal Internal Revenue Code.

(5c) Income (or loss) from Rents

All rental income earned while a resident is to be reported, regardless of the location of the property. However, residents should report only that portion of rental income derived from the rental of real and

tangible personal property located in Highland Park.

(5d) Gain (or loss) from the Sale or Exchange of Property

Your residency status on the date that the sale or exchange of property took place determines whether the sale or exchange shall be considered as a transaction by a resident or a nonresident.

Sale or Exchange While a Resident – If the property was acquired and sold, after Oct. 1, 1962, and you were a resident on the date of sale, use the same gain or loss on the property which appears on your Federal Return. If the property was acquired prior to Oct. 1, 1962, see instructions on Resident Individual Return HP-1040(R) on how to determine the taxable portion of the gain or loss. Gains or losses from both tangible and intangible property are taxable to residents. The location of the property is immaterial.

Sale or Exchange While a Nonresident – Only that portion of the gain or loss which occurred after Oct. 1, 1962 from the sale or exchange of tangible property located in Highland Park is taxable to nonresidents.

(5c) Income from Estates and Trusts

If you were a beneficiary of an estate or trust, enter in column I your share of the income from the estate or trust while you were a resident. Do not report your portion of the income earned while you were a nonresident. The estate or trust will file a return and pay the tax for nonresidents.

(5g) Net Income (or loss) from Business or Profession

Attach information for each separate business to support entries on line 5(g)

(5h) Net Operating Loss Carryover

Line 5(h) must be used to deduct a net operating loss carryover from prior years. If line 5(h) represents only a net operating carryover, circle these words on line 5(h). If both miscellaneous income and operating loss carryover are combined, attach a schedule showing the amount of each.

(7) Loss Transfers

When a loss exists on line 6 in either columns I or II and there is income in the other column, line 7 must be used to subtract the loss from the income column to arrive at the net income (or loss) on line 8.

Exemptions

The amount allowed for exemptions is first applied against resident income. If the amount allowed for exemptions exceeds resident income, such excess is then to be applied against nonresident income.

Therefore, complete Schedule A of the Resident Individual Return Form HP-1040(R) to arrive at the number of exemptions allowed; and then enter this total on Schedule L, column, line 9. If column I, line 9, exceeds resident income, enter such excess in column II, line 11.

Computation of Tax

The tax rate for residents is 2%. The tax rate for nonresidents is 1% on taxable income. Enter on Schedule L, line 13, 1% of the amount on line 10, column I. Enter on Schedule L, line 14, 1/2% of the amount on line 12, column II. The total of lines 13 and 14 should be entered on line 15. Transfer the amount appearing on line 15 of Schedule L to line 14, of the Resident individual Return, HP-1040(R) and check the box on line 15 of HP-1040(R).

Completion of Resident Form HP-1040(R)

Schedule L is not a return in itself and must be attached to a Resident Individual Return, Form HP-1040(R). After entering your tax on line 12 of form HP-1040(R), the instructions for the Resident Individual Return should be followed to complete the remaining sections of the return.

Sign the return and attach your check and W-2 forms to the left hand side of Form HP-1040(R) in the place designated.